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September 30, 2004

By Hand Delivery

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K St. N.W.
Washington, D.C. 20043



NITL-7

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Office of Proceedings

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Public Record

RE: STB Finance Docket No. 34342, *Kansas City Southern - Control - The Kansas City Southern
Railway Company, Gateway Eastern Railway Company, and the Texas Mexican Railway Company*

Dear Secretary Williams:

This letter is written on behalf of The National Industrial Transportation League ("League"), which has actively participated in this proceeding to date.

As indicated in the League's comments filed in this proceeding on August 4 and August 5, 2003 (See NITL-3 and NITL-4), the League has entered into an agreement dated August 1, 2003 with KCS ("NITL/KCS Agreement") that will provide significant protections and benefits for League members and other rail shippers. The League believes that this agreement will be an important element that will enhance the benefits of the proposed acquisition of control of Tex Mex and/or TFM by KCS.

The League has received assurances from KCS that the carrier continues to consider NITL/KCS Agreement with the League to be binding with respect to KCS's control of Mexrail and Tex Mex, and that KCS will implement that agreement for the benefit of League members and other shippers when it is authorized to control Tex Mex. In addition, the League itself has determined that its agreement with KCS continues to apply by its terms with respect to Tex Mex upon the acquisition of control of Tex Mex by KCS. See NITL-4, attaching the Agreement between The National Industrial Transportation League and Kansas City Southern, paragraph 5.

In Decision No. 11 in this proceeding, the Board decided to resume the procedural schedule in this case, and that it would begin to move toward issuance of a final decision on the merits of the KCS/TM transaction. The Board invited interested persons to file additional comments that may be appropriate given the course of events since the Board suspended the procedural schedule in Decision No. 10, served October 8, 2003.

The League believes that the record developed before the Board, even without considering the comments that the Board requested in Decision No. 11, is clearly sufficient to support a reasoned decision by the agency to approve the acquisition of control of Tex Mex by the KCS. Indeed, the League understands that the KCS has supplemented its commitments in this proceeding, thus providing further assurances. The League thus reaffirms its comments submitted on August 4, 2003 that the Board should approve the transaction, subject to imposing the NITL/KCS Agreement between the League and KCS as a condition on the Board's approval of the transaction. See NITL-3, p. 3. Moreover, the League believes that the

nick.dimichael@thompsonhine.com Phone 202.263.4103 Fax 202.331.8800

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THOMPSON HINE LLP
ATTORNEYS AT LAW1920 N Street, N.W.
Washington, D.C. 20036-1600www.ThompsonHine.com
Phone 202.331.8800
Fax 202.331.8330

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Board should move ahead expeditiously in coming to a favorable decision in this proceeding, so that the benefits of the August 1, 2003 Agreement and the transaction can be realized.

The League appreciates the opportunity to make its views known to the Board.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nicholas J. DiMichael". The signature is fluid and cursive, with the first name "Nicholas" and last name "DiMichael" clearly distinguishable.

Nicholas J. DiMichael
Counsel for The National Industrial Transportation League

cc: All parties of record
